





GOVERNOR'S ECONOMIC DEVELOPMENT INITIATIVE



Incentive Type

Value of Incentive

Maximum Annual Amount

Getting Incentives

Business Location

Equipment Qualified for Manufacturing
Equipment+
Sales & Use
Tax Incentive

Manufacturing Equipment+ Sales & Use Tax Exemption

- Sales Tax Exemption
- Eliminates California portion of sales tax (4.19%)
- \$200 million of equipment regardless of entity type
- Benefit immediate no state tax paid at time of purchase
- Anywhere in California
- Basic manufacturing equipment PLUS...
 - Food processing equipment
 - Manufacturing R&D equipment
 - Biotech manufacturing equipment
 - Biotech R&D equipment
 - Food processing R&D equipment
 - Addition of necessary tenant improvements (ex: clean rooms for biotech, manufacturing, et al.)



Middle Class Wages

Max Credit Amount

Credit Calculation

Employee Qualifications

Poverty Area **Targeting**

Retroactive Availability

Credit to Replace **Current Employees**

> Incentive Transparency

New Employment Credit

- Credit based on wages above \$12 an hour & up to \$28 an hour (or above \$10 an hour base in limited pilot areas)
- \$56,000 per employee (5-year total, 2,000 hours)
- 35% of wages each year for a total of 175%
- Persons unemployed 6 months, veterans within one year of separation, EITC recipients, ex-offenders and recipients of CalWorks or general assistance
- Areas based on census tracts with highest unemployment and poverty rates as well as LAMBRAS and current enterprise zone boundaries (excluding wealthy areas)
- No retroactive availability
- Employer gets credit only for increasing jobs
- Tax credit info will be publicly posted on FTB webpage



Incentive Type

Amount of Credit

Business Location

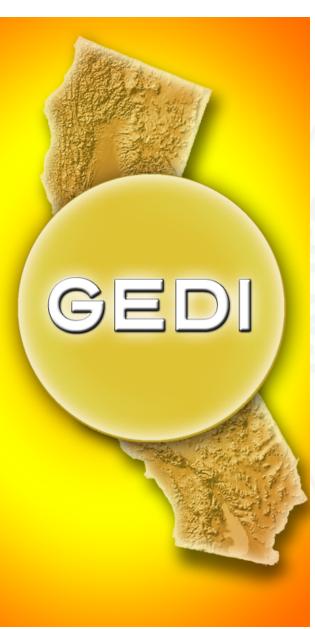
Business Size

Incentive Transparency

California Competes Credit

- Income tax credit negotiated between GO-Biz and businesses that want to come to California or stay and grow in California
- Credit amount depends on several factors including:
 - The number of jobs the business will create or retain and the compensation paid to its employees
 - The amount of investment in California by the business as well the business' economic impact here
 - No single business will receive more than 20% of the total amount available.
- Location can be ANYWHERE in California
- Credit available to both large and small businesses. 25% of available credit each year specifically reserved for small businesses (gross receipts of less than \$2M)
- All CC incentive awards will be made public and award information must be posted on the GO Biz web page

UPDATES



- California Competes workshops to be held in October
- New Employment Credit maps will be up in October
- Manufacturing+ FAQs will be up on www.boe.ca.gov next month.
- New Employment Credit FAQs will be up on www.ftb.ca.gov on Sept 13th
- FTB is working on adding online vouchering to the New Employment Credit. No details yet.



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